



**FINAL ADMINISTRATIVE DECISION  
ILLINOIS PROPERTY TAX APPEAL BOARD**

APPELLANT: Preferred Premium Payment Plan, Inc.  
DOCKET NO.: 12-29887.001-R-1  
PARCEL NO.: 13-21-330-028-0000

The parties of record before the Property Tax Appeal Board are Preferred Premium Payment Plan, Inc., the appellant, by attorney Michael E. Crane of Crane and Norcross in Chicago; and the Cook County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds a reduction in the assessment of the property as established by the Cook County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND: \$4,500  
IMPR: \$27,750  
TOTAL: \$32,250**

Subject only to the State multiplier as applicable.

**Statement of Jurisdiction**

The appellant timely filed the appeal from a decision of the Cook County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2012 tax year. The Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal.

**Findings of Fact**

The subject property consists of a two-story mixed-use building of brick construction with 4,732 square feet of building area. The building was constructed in 1928 and is approximately 84 years old. Features of the property include a partial unfinished basement, three residential units and one commercial unit. The property has a 3,750 square foot site and is located

in Chicago, Jefferson Township, Cook County. The subject is classified as a class 2-12 mixed use commercial/residential building under the Cook County Real Property Assessment Classification Ordinance.

The appellant's appeal is based on overvaluation. In support of this argument the appellant submitted evidence disclosing the subject property was purchased on March 30, 2011 for a price of \$322,500. The appellant also submitted an income approach to value using the subject's rent roll to determine the gross income, expenses of 25% of gross income and an overall capitalization rate of 12.62% to arrive at an estimate of value of \$259,945. Based on this evidence, the appellant requested the subject's assessment be reduced to \$25,994.

The appellant submitted a copy of the final decision issued by the Cook County Board of Review disclosing a total assessment for the subject property of \$38,611. The subject's assessment reflects a market value of \$386,110 when using the Cook County Real Property Assessment Classification Ordinance level of assessments for class 2-12 property of 10%.

The board of review did not submit its "Board of Review Notes on Appeal" or any evidence in support of its assessed valuation of the subject property.

#### **Conclusion of Law**

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation. When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. 86 Ill.Admin.Code §1910.63(e). Proof of market value may consist of an appraisal of the subject property, a recent sale, comparable sales or construction costs. 86 Ill.Admin.Code §1910.65(c). The Board finds the appellant met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the best evidence of market value in this record to be the purchase of the subject property for a price of \$322,500 on March 30, 2011. The subject's assessment reflects a market value above the purchase price presented by the appellant. The board of review did not submit any evidence in support of its assessment of the subject property or to refute the appellant's argument as required by section 1910.40(a) of the rules of the Property Tax Appeal Board and is found to be in default pursuant to section 1910.69(a) of the rules of the

Property Tax Appeal Board. 86 Ill.Admin.Code §1910.40(a) & §1910.69(a).

The appellant also submitted an estimate of value based on the income approach. The Board finds the appellant's income approach to value based on the subject's actual income unconvincing and not supported by market derived evidence in the record. In Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d 428 (1970), the court stated:

[I]t is the value of the "tract or lot of real property" which is assessed, rather than the value of the interest presently held. . . [R]ental income may of course be a relevant factor. However, it cannot be the controlling factor, particularly where it is admittedly misleading as to the fair cash value of the property involved. . . [E]arning capacity is properly regarded as the most significant element in arriving at "fair cash value".

Many factors may prevent a property owner from realizing an income from property that accurately reflects its true earning capacity; but it is the capacity for earning income, rather than the income actually derived, which reflects "fair cash value" for taxation purposes. Springfield Marine Bank v. Property Tax Appeal Board, 44 Ill.2d at 431.

Actual expenses and income can be useful when shown that they are reflective of the market. The Board finds the appellant did not demonstrate through market data that the subject's actual income was reflective of the market. Furthermore, there was no market data to support the appellant's deduction of 25% for expenses nor was there any market data to support the capitalization rate used by the appellant to convert the putative net income into an estimate of market value. To demonstrate or estimate the subject's market value using an income approach, as the appellant attempted, one must establish through the use of market data the market rent, vacancy and collection losses, and expenses to arrive at a net operating income reflective of the market and the property's capacity for earning income. Further, the appellant must establish through the use of market data a capitalization rate to convert the net income into an estimate of market value. The appellant did not provide such evidence; therefore, the Property Tax Appeal Board gives this argument little weight.

The Board further finds problematic the fact there was no evidence establishing the identity and qualifications of the person or persons that developed the income approach to value contained in the appellant's submission. The failure of the appellant to establish the qualifications of the person who developed an unbiased opinion of value using the income approach based on market supported data further undermines the weight that can be given this evidence.

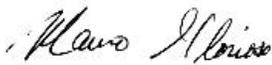
Nevertheless, based on the purchase price as reflected in this record the Property Tax Appeal Board finds a reduction in the subject's assessment is justified.

This is a final administrative decision of the Property Tax Appeal Board which is subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code.

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Chairman



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Member



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Member

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Member



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Member

DISSENTING: \_\_\_\_\_

C E R T I F I C A T I O N

As Clerk of the Illinois Property Tax Appeal Board and the keeper of the Records thereof, I do hereby certify that the foregoing is a true, full and complete Final Administrative Decision of the Illinois Property Tax Appeal Board issued this date in the above entitled appeal, now of record in this said office.

Date: May 22, 2015



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Clerk of the Property Tax Appeal Board

**IMPORTANT NOTICE**

Section 16-185 of the Property Tax Code provides in part:

"If the Property Tax Appeal Board renders a decision lowering the assessment of a particular parcel after the deadline for filing complaints with the Board of Review or after adjournment of the session of the Board of Review at which assessments for the subsequent year are being considered, the taxpayer may, within 30 days after the date of written notice of the Property Tax Appeal Board's decision, appeal the assessment for the subsequent year directly to the Property Tax Appeal Board."

In order to comply with the above provision, YOU MUST FILE A PETITION AND EVIDENCE WITH THE PROPERTY TAX APPEAL BOARD WITHIN 30 DAYS OF THE DATE OF THE ENCLOSED DECISION IN ORDER TO APPEAL THE ASSESSMENT OF THE PROPERTY FOR THE SUBSEQUENT YEAR.

Based upon the issuance of a lowered assessment by the Property Tax Appeal Board, the refund of paid property taxes is the responsibility of your County Treasurer. Please contact that office with any questions you may have regarding the refund of paid property taxes.